

EXECUTIVE SECRETARIAT

ROUTING SLIP

700
FILE

TO:

		ACTION	INFO	DATE	INITIAL
1	DCI				
2	DDCI				
3	EXDIR				
4	D/ICS				
5	DDI				
6	DDA				
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt				
13	D/OLL				
14	D/PAO				
15	VC/NIC				
16	NIO/ECON	X			
17	D/OGI		X		
18	D/ES		X		
19					
20					
21					
22					
SUSPENSE		Date _____			

Remarks

To 17: As DCI's rep to EPC, please track activities of these three new EPC working groups.

Executive Secretary

STAT

ON FILE NSC RELEASE INSTRUCTIONS APPLY

3637 (10-81)

5/20/85

85- 4560

CABINET AFFAIRS STAFFING MEMORANDUM

Date: 11/15/85 Number: 317025CA Due By: _____
 Subject: Economic Policy Council Memoranda

	Action	FYI		Action	FYI
ALL CABINET MEMBERS	<input type="checkbox"/>	<input type="checkbox"/>	CEA	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Vice President	<input checked="" type="checkbox"/>	<input type="checkbox"/>	CEQ	<input type="checkbox"/>	<input type="checkbox"/>
State	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OSTP	<input type="checkbox"/>	<input type="checkbox"/>
Treasury	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Defense	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Justice	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Interior	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Agriculture	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
Commerce	<input checked="" type="checkbox"/>	<input type="checkbox"/>	McFarlane	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Labor	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Svahn	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HHS	<input type="checkbox"/>	<input type="checkbox"/>	Chew (For WH Staffing)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HUD	<input type="checkbox"/>	<input type="checkbox"/>	Hicks	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Transportation	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Energy	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Chief of Staff	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Education	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
OMB	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
<u>CIA</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>			
UN	<input type="checkbox"/>	<input type="checkbox"/>	Executive Secretary for:		
USTR	<input checked="" type="checkbox"/>	<input type="checkbox"/>	DPC	<input type="checkbox"/>	<input type="checkbox"/>
			EPC	<input type="checkbox"/>	<input type="checkbox"/>
GSA	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
EPA	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
NASA	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
OPM	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
VA	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
SBA	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS: The attached memoranda from Secretary Baker describing three new working groups are being forwarded to you for your information.

RETURN TO:

☒ Alfred H. Kingon
 Cabinet Secretary
 456-2823
 (Ground Floor, West Wing)

☐ Don Clarey
☐ Rick Davis
☐ Ed Stucky

Associate Director
 Office of Cabinet Affairs
 455-2800 (Room 128, OEOB)



THE WHITE HOUSE

WASHINGTON

November 15, 1985

MEMORANDUM FOR THE ECONOMIC POLICY COUNCIL

SUBJECT: Human Capital and Competitiveness

Investment in human capital plays a critical role in maintaining and enhancing the competitiveness of U.S. firms in international markets. To compete effectively in the world market, U.S. firms must rely on high labor productivity as well as technological advantages.

This memorandum establishes an interagency working group under the Economic Policy Council to review the relationship of human capital and competitiveness and develop for Council consideration options for improving the Federal Government policy toward encouraging the optimal amount of investment in human capital. The Working Group should use existing data to the greatest extent possible and focus on developing policy recommendations that could be proposed in the FY 1987 budget and/or the State of the Union address. The Working Group shall complete its report to the Council by December 15, 1985.

The Working Group will include representatives at the Assistant Secretary level or above from the Departments of the Treasury, Commerce, and Labor, the Office of Management and Budget, the Council of Economic Advisers, and the Executive Secretary of the Economic Policy Council and other departments and agencies as necessary, including the Department of Education. The representative from the Department of Labor will chair the Working Group and work closely with the Executive Secretary of the Council in developing the sequence of issues the Working Group will consider and in scheduling presentations to the Council.

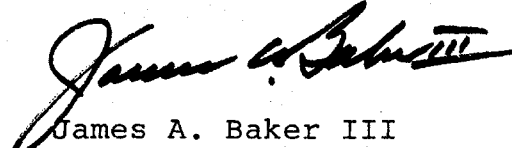
The Working Group's review should include, but not be limited, to:

1. Identifying the barriers to optimal private sector investment in human capital;
2. Assessing how other countries encourage investment in human capital;
3. Determining whether the Federal Government should provide the same or different incentives for investment in physical capital or human capital and how the Federal Government might change these incentives; and

-2-

4. Determining the appropriate role the Federal Government should play in encouraging greater business-university cooperation.

I would appreciate the Council members on the Working Group informing the Executive Secretary of the Council the name of the individual they wish to represent them on the Working Group by close of business Monday, November 18, 1985. Thank you very much.



James A. Baker III
Chairman Pro Tempore

THE WHITE HOUSE
WASHINGTON

November 15, 1985

MEMORANDUM FOR THE ECONOMIC POLICY COUNCIL

SUBJECT: Intellectual Property and Competitiveness

Intellectual property rights play an important role in enhancing American competitiveness. Broad intellectual property rights encourage the development of new technologies and processes which ultimately lower the costs of production for businesses in a wide variety of industries and accelerate the introduction of improved products and services to consumers. Adequately defining the scope of intellectual property rights and providing intellectual holders with mechanisms to enforce their rights provide American businesses with optimal returns on investment innovation and increase overall U.S. competitiveness.

This memorandum establishes a high level interagency working group under the Economic Policy Council to review the relationship between protection of intellectual property rights and competitiveness and develop for Council consideration options for improving Government policies recognizing and enforcing intellectual property rights and encouraging optimal investment in the innovation of new ideas, products, and services. The Working Group should use existing data to the greatest extent possible and focus on developing specific policy options for Council consideration which could be included in the FY 1987 Budget or State of the Union address. The Working Group should complete its report for the Council by December 15, 1985.

The Working Group will include representatives at the assistant Secretary level or above from the Departments of Treasury, State, Commerce, Labor, the Office of Management and Budget, the United States Trade Representative, the Council of Economic Advisers, and the Executive Secretary of the Economic Policy Council. The representative from the Department of Commerce will chair the Working Group and work closely with the Executive Secretary of the Economic Policy Council in developing the sequence of issues the Working Group will consider and scheduling presentations to the Council.

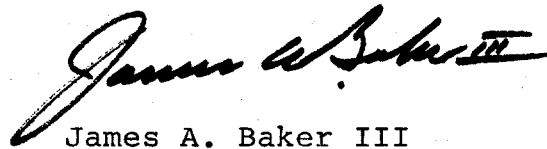
The Working Group's review should include, but not be limited to:

1. Assessing whether the United States has in place effective statutes and policies to ensuring protection of patents, trademarks, and copyright.

-2-

2. Identifying obstacles, if any, to improving U.S. protection of intellectual property rights.
3. Assessing whether U.S. laws and policies provide protection of intellectual property rights to a degree equivalent to that provided by U.S. foreign competitors.

I would appreciate the Council members on the Working Group informing the Executive Secretary of the Council the name of the individual they wish to represent them on the Working Group by close of business, Monday, November 18, 1985. Thank you very much.



James A. Baker III
Chairman Pro Tempore

THE WHITE HOUSE

WASHINGTON

November 15, 1985

MEMORANDUM FOR THE ECONOMIC POLICY COUNCIL

SUBJECT: Research and Development and Competitiveness

Research and development (R&D) plays a critical role in maintaining and enhancing the competitiveness of U.S. firms in international markets. The U.S. needs to make adequate investments in new products and processes in order to maintain its technological lead in many markets.

This memorandum establishes an interagency working group under the Economic Policy Council to review the relationship of R&D and competitiveness and develop for Council consideration options for improving the Federal Government policy toward encouraging the optimal amount of investment in R&D. The Working Group should use existing data to the greatest extent possible and focus on developing policy recommendations that could be proposed in the FY 1987 budget and/or included in the State of the Union address. The Working Group shall complete its report to the Council by December 15, 1985.

The Working Group will include representatives at the Assistant Secretary level or above from the Departments of the Treasury and Commerce, the Office of Management and Budget, the Council of Economic Advisers, and the Executive Secretary of the Economic Policy Council and other departments and agencies as necessary, including the Departments of Defense and Energy and the National Science Foundation. The representative from the Department of the Treasury will chair the Working Group and work closely with the Executive Secretary of the Council in developing the sequence of issues the Working Group will consider and in scheduling presentations to the Council.

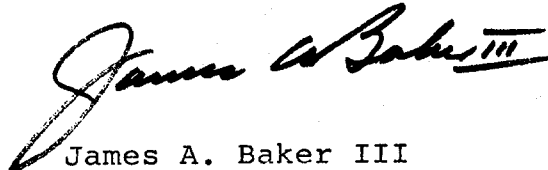
The Working Group's review should include, but not be limited, to:

1. Identifying the barriers to private sector investment in R&D and its commercialization;
2. Assessing how other countries encourage investment in R&D;
3. Developing options for more effective Federal Government targeting of basic research;
4. Assessing whether the Federal Government should subsidize (through either spending programs or the tax code) applied R&D, and if so, developing options for how it could do so more effectively;

-2-

5. Assessing whether the Federal Government should encourage investment in R&D in strategic areas affecting competitiveness (e.g., semiconductor research) above what the private sector would invest; and
6. Assessing whether the Federal Government should encourage investment in R&D of only goods, or whether it should also encourage investment in R&D of services, and if the latter, how it could do so.

I would appreciate the Council members on the Working Group informing the Executive Secretary of the Council the name of the individual they wish to represent them on the Working Group by close of business Monday, November 18, 1985. Thank you very much.

A handwritten signature in black ink, reading "James A. Baker III". The signature is fluid and cursive, with the "III" written in a stylized, slightly detached manner at the end of the name.

James A. Baker III
Chairman Pro Tempore